

105TH CONGRESS
2^D SESSION

S. CON. RES. 124

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 14, 1998

Referred to the Committee on Ways and Means

CONCURRENT RESOLUTION

Expressing the sense of Congress regarding the denial of benefits under the Generalized System of Preferences to developing countries that violate the intellectual property rights of United States persons, particularly those that have not implemented their obligations under the Agreement on Trade-Related Aspects of Intellectual Property.

Whereas intellectual property-dependent industries include businesses that depend on protection of trademarks, trade secrets, trade names, copyrights, and patents;

Whereas intellectual property-dependent industries have become primary drivers of the United States economy, contributing over \$500,000,000,000 to the United States economy in 1997;

Whereas the foreign sales and exports of United States intellectual property-dependent goods totaled at least \$100,000,000,000 in 1997, exceeded sales of every other

industrial sector, and helped the United States balance of trade;

Whereas international piracy of United States intellectual property, which the Department of Commerce estimates costs United States companies nearly \$50,000,000,000 annually, poses the greatest threat to the continued success of United States intellectual property-dependent industries;

Whereas goods from many developing countries receive preferential duty treatment under the Generalized System of Preferences even though those countries do not protect intellectual property rights of United States persons;

Whereas piracy of United States intellectual property is so rampant in some developing countries that receive benefits under the Generalized System of Preferences that it effectively prevents United States intellectual property-dependent industries from selling products in those countries;

Whereas the Agreement on Trade-Related Aspects of Intellectual Property Rights requires its signatories to provide a minimum of essential protections to the intellectual property of citizens from all signatory nations;

Whereas the United States has fully implemented its obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights, and in fact in many cases offers stronger protection of intellectual property rights than required in the Agreement;

Whereas it appears that at the current rate many developing countries that receive benefits under the Generalized System of Preferences may not be in compliance with their obligations under the Agreement on Trade-Related As-

pects of Intellectual Property Rights on January 1, 2000,
as required; and

Whereas many of the developing countries that receive benefits under the Generalized System of Preferences and that are not on track in complying with their obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights are responsible for substantial trade losses suffered by United States intellectual property-dependent industries: Now, therefore, be it

1 *Resolved by the Senate (the House of Representatives*
2 *concurring)*, That it is the sense of Congress that—

3 (1) the United States should not give special
4 trade preferences to goods originating from a coun-
5 try that is not making substantial progress towards
6 adequately and effectively protecting United States
7 intellectual property rights, particularly a developing
8 country that has not met its obligations under the
9 Agreement on Trade-Related Aspects of Intellectual
10 Property Rights by January 1, 2000;

11 (2) Congress should monitor the progress of de-
12 veloping countries in meeting their obligations under
13 the Agreement on Trade-Related Aspects of Intellec-
14 tual Property Rights by January 1, 2000; and

15 (3) Congress should consider legislation that
16 would deny the benefits of the Generalized System
17 of Preferences to developing countries that are not
18 in compliance with their obligations under the

- 1 Agreement on Trade-Related Aspects of Intellectual
- 2 Property Rights beginning on January 1, 2000.

Passed the Senate October 14 (legislative day, October 2), 1998.

Attest:

GARY SISCO,
Secretary.